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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
Implementation of the)	
Telecommunications Act of 1996)	
)	
Telecommunications Carriers' Use)	CC Docket No. 96-115
of Customer Proprietary Network)	
Information and Other Customer)	
Information)	
)	
Implementation of the)	CC Docket No. 96-149
Non-Accounting Safeguards of)	
Sections 271 and 272 of the)	
Communications Act of 1934,)	
as Amended)	

RESPONSE OF FRONTIER
CORPORATION TO PETITIONS
FOR RECONSIDERATION

Introduction

Twenty-five parties, including Frontier Corporation ("Frontier"), have sought reconsideration of the Commission's Second Report and Order¹ in this proceeding. Not one of the petitioners contends that the Commission did not go far enough in protecting consumers' privacy interests. Indeed, the common theme presented in the petitions is that the Commission's rules disserve consumers and carriers alike by thwarting

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Implementation of the Telecommunications Act of 1996: Telecommunications Carriers' Use of Customer Proprietary Network Information and Other Customer Information, CC Docket 96-115, Second Report and Order and Further Notice of Proposed Rulemaking, FCC 98-27 (Feb. 26, 1998) ("Second Report")

legitimate consumer expectations and imposing enormous, unnecessary costs upon carriers. As set forth in its own petition for reconsideration, Frontier shares these views.

In this response, Frontier will briefly address three issues: (1) the electronic audit trail that the Commission has required; (2) the use of CPNI in "win-back" situations; and (3) the use of CPNI to market CPE and information services.

Argument

I. THE COMMISSION SHOULD ELIMINATE ITS ELECTRONIC AUDIT TRAIL REQUIREMENTS.

As Frontier demonstrated in its petition,² the Commission's electronic audit trail requirement is unnecessary and expensive. Other petitioners forcefully concur. On the basis of the petitions, the Commission should rescind this requirement.

First, compliance with the requirement would be extremely expensive. Frontier estimates that it would cost it approximately \$2 million per system for its billing systems only³ to comply with the Commission's requirements.⁴ Cost estimates submitted by other petitioners range in the tens of millions of dollars,⁵ to the hundreds of millions of dollars⁶ up to one billion dollars.⁷ The Commission may have not fully understood the

² Frontier at 3-5.

³ This says nothing of the multitude of other systems that Frontier maintains. Frontier is in the process of determining the costs of upgrading these systems so that they are CPNI-compliant. Undoubtedly, these costs will range in at least the tens of millions of dollars.

⁴ Frontier is in the process of consolidating its billing systems onto a handful of systems. Frontier expects to complete this process before the expiration of the Commission's eight-month window before the Commission initiates enforcement of its regulation. However, as a result of the complexity of this task, Frontier intends soon to file a petition for waiver as it relates to those systems that Frontier is phasing out.

⁵ Sprint at 3.

⁶ AT&T at 11.

⁷ MCI at 38.

magnitude of the task it presented carriers when it adopted these rules. Based upon what it has received, the Commission should reconsider and rescind its electronic audit requirements.

Second, in contrast to the enormous costs that the Commission's requirements would impose, the benefits appear to be rather scanty. As several petitioners demonstrate,⁸ the benefits that the Commission perceives are premised upon an assumption that carrier sales and marketing personnel will be inclined to cheat. Whatever the merits of this dubious assumption (with which Frontier strongly disagrees), its justification for the Commission's rules cannot withstand scrutiny. Personnel intent upon cheating will do so in any event. These same personnel will -- under the Commission's rules -- be required to log their reasons for access to CPNI. If the access is improper, surely the offender will not electronically provide a truthful response. The deterrence benefit the Commission envisions simply does not exist.

Third, far more effective and cost-efficient alternatives exist. Training and discipline are effective deterrents to abuse.⁹ The Commission may also require carriers to perform random compliance audits. The Commission's rules currently require carriers to certify their compliance. Random audits will add force to this certification. These tools alone are sufficient for the Commission to assure itself that carriers are

⁸ AT&T at 11-12; Bell South at 22

⁹ Frontier at 5.

complying with its CPNI rules. Its intrusive and expensive electronic audit requirements should be rescinded.¹⁰

II. THE COMMISSION SHOULD PERMIT THE USE OF CPNI IN WIN-BACK EFFORTS.

Petitioners uniformly request that the Commission revoke its rule prohibiting the use of CPNI to win-back customers.¹¹ However, MCI requests that Commission both narrow its rule to apply it only to ILECs and broaden the rule to cover additional information other than CPNI.¹² Although Frontier agrees that the use of CPNI by ILECs removes special concerns, MCI's proposal goes too far. MCI would bar ILECs from using virtually any information for win-back purposes. Such a blanket prohibition is unnecessary.

Frontier's suggested approach -- forbidding ILECs from using information obtained as a result of a carrier-to-carrier relationships¹³ -- adequately addresses MCI's concerns. It would prevent ILECs from using commercially sensitive information -- the identity of the customer's new local carrier, for example -- to retain that customer. At the same time, it would permit ILECs to utilize their own CPNI, but not that of another carrier, to compete for the customer's business. Frontier believes that this constitutes an equitable result.

¹⁰ As Frontier noted in its petition, the Commission should be loathe to require carriers to divert its efforts from Year 2000 compliance efforts (Frontier at 5 n.12). The Commission's own Year 2000 inquiry underscores this point.

¹¹ See, e.g., AT&T at 2-4; Bell Atlantic at 16-17.

¹² MCI at 48-52.

¹³ See Frontier at 9-10.

III. THE COMMISSION SHOULD MODIFY ITS RULES TO PERMIT THE USE OF CPNI TO MARKET CPE AND INFORMATION SERVICES.

Numerous parties have requested that the Commission modify its rules to permit the use of CPNI to market CPE and information services.¹⁴ Frontier's initial petition requested more narrowly-focused relief -- limited to the use of CPNI to market wireless CPE by wireless carriers.¹⁵ Frontier, however, supports the more broadly-focused petitions. As petitioners demonstrated, section 222 does not compel the result that the Commission reached.¹⁶ Petitioners also demonstrated that customers expect carriers to market an integrated package of services to them that may include out-of-bucket elements.¹⁷ On both of these grounds, the Commission should modify this rule to permit the use of CPNI to market CPE and information services.

¹⁴ See, e.g., Bell Atlantic at 5-11; SBC at 2-5; PCIA at 7-9.

¹⁵ Frontier at 10-11.

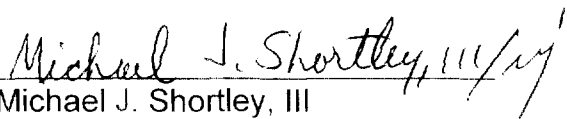
¹⁶ See, e.g., Bell Atlantic at 3-4.

¹⁷ See, e.g., Ameritech at 3-6.

Conclusion

For the foregoing reasons, the Commission should act upon the petitions for reconsideration in the manner suggested herein and in Frontier's petition for reconsideration.

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Certificate of Service

I hereby certify that, on this 24th day of June, 1998, copies of the foregoing Response to Petitions for Reconsideration were served by first-class mail, postage prepaid, upon the parties on the attached service list.

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